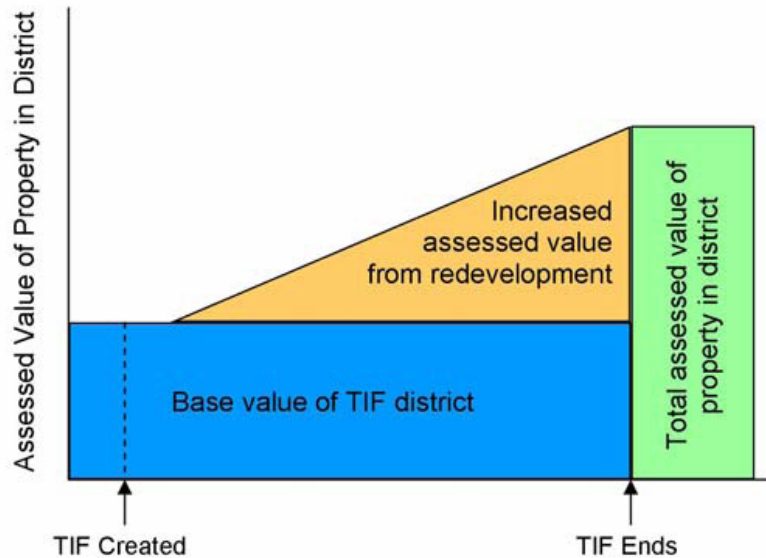


Report of the Community and Economic Development Office

In fiscal year 2010, the Colchester economy held steady and vacancy rates have been better than other parts of Chittenden County. We've had several smaller businesses move in and some move to another part of Colchester. At Severance Corners our State designated Growth Center, while development has slowed down as a result of the economic climate, the developer is continuing to build additional housing for the Albany College of Pharmacy and Health Sciences in addition to the residential and commercial properties already located in the Southwest Quadrant. The Town is pursuing an application for a Tax Increment Financing (TIF) District for the Growth Center to pay for the necessary public improvements to help stimulate the development over the next 20 years of housing and job opportunities. Preparing the application has consumed the bulk of our time for a few months gathering the necessary data and information needed to submit to the State of Vermont Economic Progress Council in August 2010. Public improvements include expanding the intersection as it is currently experiencing significant congestion during the morning and evening commuting periods. Traffic is expected to increase even without the development at Severance Corners. Multi-use paths and sidewalks are needed along the arterial roadways through the Growth Center to allow safe pedestrian travel through and within the Growth Center. There is insufficient water storage capacity at Severance Corners.

Mission Statement: To provide leadership to create community and economic development that is sustainable and competitive globally and to be proactive in maintaining and enhancing the economic viability of Colchester through education, partnerships, innovation and strategic action.

A TIF District is a local financing tool used to provide revenues beyond normal municipal revenue sources for infrastructure improvements that serve a defined municipal district which will stimulate development or redevelopment within the District, provide for employment opportunities, improve and broaden the tax base, and enhance the general economic vitality of the municipality, the region, or the state (*See 24 VSA §1893*). TIFs allows municipalities to finance public infrastructure improvements that support private development, by earmarking future property tax revenues generated within a designated district to finance those improvements. As development occurs in the District, total property value increases (the light gray triangle, below). The property tax revenues generated by that new development is the "tax increment," which is used to pay the debt service on the public improvements. Both the municipal *and* education property tax increments are available to service TIF debt – thus, the use of TIF as an economic development tool creates significant new revenues for the Town to fund public infrastructure. When the District ends (usually twenty years), all property taxes are once again collected by the Town and State education fund, just like before but now there is a significantly higher total property value (see light gray rectangle below).



(Courtesy of Burlington, VT CEDO Office, 2010)

This office continues to work with area businesses and property owners on a variety of issues including requesting the Town to change the Industrial District at Exit 16 to the Business District. This change allowed the current manufacturing uses while expanding the uses to include retail and medical office. We are consistently working with area property owners and developers at Exit 16 to market their property and recruit new business. We are also a catalyst for Town staff on pursuing long term infrastructure needs to meet economic growth needs in the future, including transportation capacity, fiber optic cable, and wastewater capacity at our growth centers.

This office has launched the Community and Economic Development web page for the Town website that has basic information about our office and what we do. The Tourism brochures can be downloaded and the Community and Economic Development Advisory Council (CEDAC) agendas and minutes are available. We hope to make the site more engaging in the future, have more information on Colchester businesses and our local economy, and to be used more as a marketing tool to potential new businesses or people relocating to the area.

The CEDAC has been working on a short, concise five year strategic economic development plan for Colchester that will articulate concrete tasks for the near future making it usable and accountable, based on existing regional data that we have. They have also formed a Water Based Recreational Subcommittee to promote Malletts Bay year round with our existing resources and amenities. The 1st Annual Lake Champlain Pond Hockey Classic is planning to come in February 2011 hoping to draw over 500 participants to Malletts Bay. We are also planning to host the B.A.S.S. Eastern Regional Divisional Tournament in September 2011. We would like to thank the members of CEDAC for their hard work, dedication, and enthusiasm this past year serving the Town and especially thank David Usher for his service as Chair for the past year.

We still offer our Partnership Fund, a revolving loan fund for businesses in Colchester of up to \$50,000 and \$25,000 as a revolving line of credit, now administered through Community Capital of Vermont www.cvcapital.com. The State has launched a new website through the Secretary of

State's Office that provides all the resources needed start or expand a business at www.startabusinessinvermont.net.

How can this office best serve you and/or your business? Anything you would like to learn more about? Feel free to give us a call 264-5508 or email at: kmurray@colchestervt.gov with any comments or questions you may have.

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Development

